

Aid Trade Investment and Cooperation In And Among Southern and South Africa: An Almost Annotated Outline

I. One problem set but many aspects.

a. Poverty - Absolute Poverty - Inequality

- Post Apartheid South Africa
- The War Devastated States (Angola, Mozambique)
- The Economically Debilitated (Tanzania, Malawi, Namibia, Zambia, Swaziland)
- The Special Cases (Botswana, Lesotho, Zimbabwe)

b. Employment - Growth - Output - Food Security

- South Africa - the portents of continued unsuccess (1980s worst record of a non-war ravaged state in Southern/South Africa and less than half SSA average)
- Mozambique - what foundation for rebuilding
- Angola - Mozambique plus oil
- Zambia - ending the political economics of implosion?
- Malawi-Tanzania-Swaziland-Namibia: from stabilisation to transformation?
- Botswana-Zimbabwe: transformation to sustain or accelerate forward motion?
- Lesotho - toward economic union of a mountain of poverty that grows each night?

c. External Balance: Exports To Allow Growth And Transformation

- South Africa - the continuing low productivity heritage of apartheid while the captive markets go free?
- Southern Africa - deteriorating bases and little transformation - Mozambique, Swaziland, Malawi, Zambia, Namibia, Tanzania, Lesotho
- Southern Africa - transformation in process - Zimbabwe, Botswana
- Southern Africa - expansion and transformation or no? - Angola

d. Human Investment/Human Condition

- Political Necessity - Political Paradox: South Africa
- Priority Without Resources - Tanzania, Mozambique
- No Resources, No Vision - Malawi, Swaziland, Lesotho, Zambia
- Priority With Resources - Botswana, Zimbabwe, Namibia, Angola

II. **Performance and Transition: Perceptions and Realities**

- a. South Africa: the underpowered locomotive in reverse gear; not the rolling juggernaut of progress
- b. South Africa: the modest recovery of 1985-91 (production, food security, exports); not the swamp of sinking foundations (but Zambia? Lesotho? Mozambique?)
- c. Food Security in human and physical terms: toward South African deficits and Southern African surpluses?
- d. South Africa: the limits of marketism and globalism; the risks of intervention and inward orientation; the costs and benefits of being "doomed to reconciliation" (or of being unable to reach that 'doom' -)

III. **Trade: Some Queries**

- Who can export what to whom?
- In what contexts?

- Can South Africa sustain regional exports and transform (as well as raise) regional imports?
- What Southern African production/export transformations are possible - regionally? With South Africa? In the South? Globally? Within what policy context?

IV. Trade: Some More Queries

- How can the EEC provide freer access to South African exports? To Southern African?
- Is an EEC/ACP relationship with Southern Africa and a standard most favoured nation one with South Africa optimal for EEC or South Africa or Southern Africa?
- Is South Africa a plausible ACP candidate? A special association (à la Poland or Rumania) candidate?

V. Physical Investment: Savings, Flows and All That

- What savings rates are attainable?
- How much after human investment?
- Can the decline in the South African rate be halted consistent with politico-social stability and raising productivity? How soon?
- What levels of concessional flows are plausible - to Southern Africa? To South Africa?
- Who is a good commercial credit risk? For trade finance? For longer term loans? How would Trinidad Terms debt write-offs on official and commercial debt affect the answers?
- Why would equity flows be significant before 2000 outside special cases such as hydrocarbons and selected other natural resource based opportunities? To what countries, under what perceptions, with what time lags?
- To what extent can technical and commercial (sourcing and marketing) joint venture partners play useful roles without major external resource inflows? To which countries does this apply?

- Can EEC influence:

- i. concessional flows (including but not only its own)?
- ii. commercial lending (what role for credit insurance? At what cost)?
- iii. by debt write-offs (official and commercial)?
- iv. for equity investors and technical/commercial partners (e.g. development finance corporation partnership, insurance against 'political' and economic 'catastrophe' risks)?

VI. Economic Regionalism: Prospects and Obstacles

- The Old Order is Unviable

- i. exports by armed force
- ii. overpriced exports for hard currency
- iii. import of cheap labour

- The NP's Deathbed Conversion to Globalism and the ANC's turn toward onward looking economic strategies - twin enemies of regionalism?

- SADCC states and firms perceptions of South Africa's economy and economic operators (and vice versa)

- But 10 + 1 is possible - SADCC's format provides flexibility and involvement, PTA's sets broad facilitating frames, SADB's experience could be a financial and merchant banking dynamic

- How can South Africa make its exports price competitive versus (on average) 25% overpriced?

- What can South Africa import: power? Food? Non-traditional raw materials? Transport? Tourism? Manufactures?

- What joint and what coordinated measures are needed?

- How is goodwill and trust to be established? Made operational? What is the role of successful (even if limited initially) negotiating and acting together? When should it start?

- What of the "long distance bed-sitting room" of the Rand Triangle?
Is economic union an option for Lesotho? Is there any other?

VII. Economic Regionalism of South/Southern Africa and the EEC

- Birds of a feather flock together - Brussels vocations for economic regionalism and frescos
- Avoiding doing harm - clarifying that Southern Africa can, consistent with Lome, form economic special relations with South Africa
- Avoiding doing harm - South Africa an ACP 'look-alike' for aid financed contracts in Southern Africa? In ACP content (or purposes of origin) in Southern African exports?
- Should gold and coal be Stabexed?
- How can EEC and Member State de facto and de jure fishing piracy be halted? Isn't this Brussels business?
- Is a joint Southern-South African Lome Regional Fund a helpful way forward? Or a pandora's box for its 'beneficiaries'? Or would three: Southern, South and Southern/South (intra-regional link building) be more fruitful with the first and third Lome and the second a fresco? Should the EEC become a financier and/or equity holder of a transformed SADB (presumably divided into a Southern and a domestic South African bank?)?
- How can DG VIII be less a platonic guardian and also a more functional dialogue partner? Less rules and more applied analytical capacity? Or what?
- Would EEC support of Southern/South African regionalism be perceived in the rest of Africa as contrary to continental economic integration? Should it? Why should Southern, South and Eastern Africa slow down to wait for Western and Central? Would doing so actually speed up economic continentalism or the reverse? How can EEC be concerned, informed and non-manipulative in this debate/power struggle?
- How can EEC maintain its own hard won perception that Southern/South Africa is multipolar and that PVT triangle centralised hegemony is

not viable as well as undesirable? How can it facilitate retention and broadening of that realisation by others?

VIII. Does Southern/South Africa Matter To Europe

- Economically? Politically? As a human concern? How and Why?
- What priority will those concerns have vis-à-vis global (North-North in practice) economic concerns? Vis-à-vis Mitteleuropa and Eastwards (the successor states to the Russian, Austro-Hungarian and Ottoman Empires)? To Northern Africa?
- How can (or should?) South/Southern Africa influence these answers? What roles can their friends (for whatever reasons) in Europe play?
- Is the concept of an EEC linked versus a globally open South/Southern African external economic linkage stance a sound one? Is it either/or? Does South/Southern Africa have an option globally other than a special relationship with the USA or Japan or EEC any more than Mexico or Canada or ASEAN? On what assumptions?

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